

Carbon Footprint Report

for

API Insurance Services Pty Ltd

1 July 2009 to 30 June 2010

Prepared by:

**Sustainable
Directions**

Introduction

API Insurance Services commissioned Sustainable Directions to conduct a carbon footprint calculation on its business operations located at Level 3, 185 Victoria Square, Adelaide SA 5000. API Insurance Services was established over 33 years and offers a wide range of insurance services through a number of partnerships.

This carbon footprint report has been compiled in accordance with the principles contained in the National Carbon Offset Standard that came into effect on 1st July 2010. These principles are in turn based upon those outlined in the international standard for the quantification and reporting of greenhouse gas emissions - ISO 14064. The principles are summarized as follows:

- **Relevance:** Ensuring the greenhouse gas footprint of an organisation reflects the greenhouse gas emissions attributed to that organisation.
- **Completeness:** Accounting for and reporting all greenhouse gas emissions sources and activities within the defined boundary of the organisation as well as disclosing and justifying all exclusions.
- **Consistency:** Using consistent methodologies to allow for meaningful comparisons of greenhouse gas emissions over time. Documenting any changes to the data, boundary, methods, or any other relevant factors.
- **Transparency:** Greenhouse gas information is compiled, analysed and documented clearly and coherently so that auditors may evaluate its credibility. Disclosing any relevant assumptions and making appropriate references to the calculation methodologies and data sources used.
- **Accuracy:** Ensuring that the quantification of greenhouse gas emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Where uncertainty is high using conservative values and assumptions. Achieving sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.

The report calculates the greenhouse gas emissions from the normal business activities of the organization. This includes electricity, gas and water usage as well as waste disposal, use of paper/cardboard and any business travel (including air travel). Emissions from business activities are generally classified as scope 1, 2 or 3. Scope 1 emissions relate to the greenhouse gasses released as a direct result of the business activities of the organization. Scope 2 emissions relate to the greenhouse gasses released as a result of electricity generation, heating, cooling or steam consumed by the organization. Scope 3 emissions relate to the greenhouse gasses released in the wider economy as a consequence of the organization's activities but that are physically produced by another organization or body.

This report takes into all recognized scope 1 and 2 emissions as well as a number of scope 3 emissions that are easily recognizable and where data is readily available.

Result

The carbon footprint of your business operations was calculated using a carbon management system developed by Energy Analytics (www.energyanalytics.com.au). The system complies with Australian Greenhouse Gas Protocols and uses the National Greenhouse Accounts Factors (July 2010) to convert various greenhouse gasses to a single base, referred to as carbon dioxide equivalent (CO₂e). The calculation resulted in greenhouse gas emissions of:

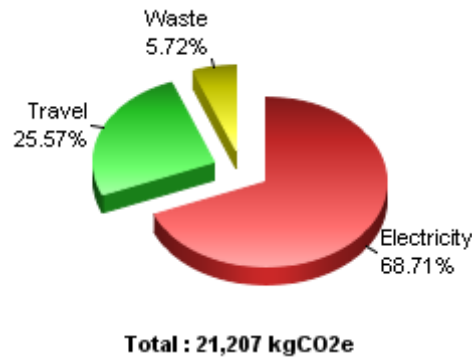
| <i>Total Emissions (kgCO₂e)</i> | <i>Emissions per m²</i> | <i>Emissions per Person</i> |
|---|---|------------------------------------|
| 21,207 | 130 | 3,534 |

Your result is benchmarked against a number of similar size organizations in the following table:

| <i>Company</i> | <i>Total Emissions (kgCO₂e)</i> | <i>Emissions per m²</i> | <i>Emissions per Person</i> |
|-------------------------|---|---|------------------------------------|
| API Insurance Services | 21,207 | 130 | 3,534 |
| An Accountancy firm | 19,896 | 103 | 1,990 |
| A Not for Profit body | 19,581 | 44 | 1,605 |
| A Child Services agency | 13,102 | 27 | 936 |

The breakdown of your carbon footprint for the reporting period is as follows:

| Source | kgCO₂e |
|---------------|--------------------------|
| Electricity | 14,573 |
| Travel | 5,422 |
| Waste | 1,212 |
| TOTAL | 21,207 |

**Notes:**

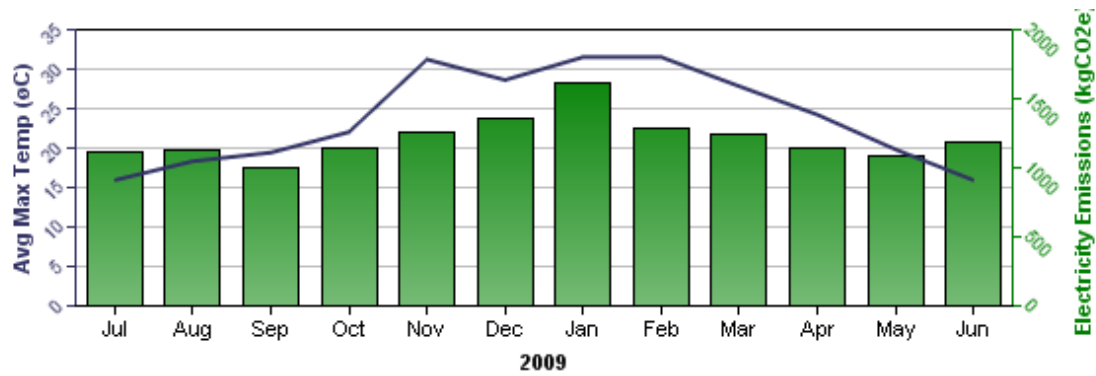
- 1 The Electricity calculation was based on information provided by the landlord.
- 2 Water usage took into account mains water usage and did not take into account any bottled or delivered water.
- 3 Waste was based on general kitchen waste from 2 bins at 85% full and emptied on a weekly basis.
- 4 Paper use was taken from the photocopier register of statistics provided by the photocopier supplier.
- 5 Vehicle use took into account the vehicle mileage used by staff to and from work as well as business travel to clients. Use of taxi services were also taken into account.
- 6 Air travel was based on an average of 3 business trips per year from Adelaide to Sydney and return.

a. Overview

One tonne of Greenhouse Gas is sufficient to fill one average two storey home. Therefore your carbon footprint total of 21 is sufficient to fill 21 two storey homes. At an average cost of \$24 for a tonne of carbon, this represents an approximate notional cost of \$504. This would also be the approximate cost of offsetting your carbon emissions. However it is recommended that you investigate and implement reduction strategies initially before imposing what is essentially a self imposed tax on your organization. Once all attempts to reduce your carbon footprint through behavioural changes have been exhausted, purchasing carbon offsets from a reputable supplier is recommended.

b. Detail**Electricity**

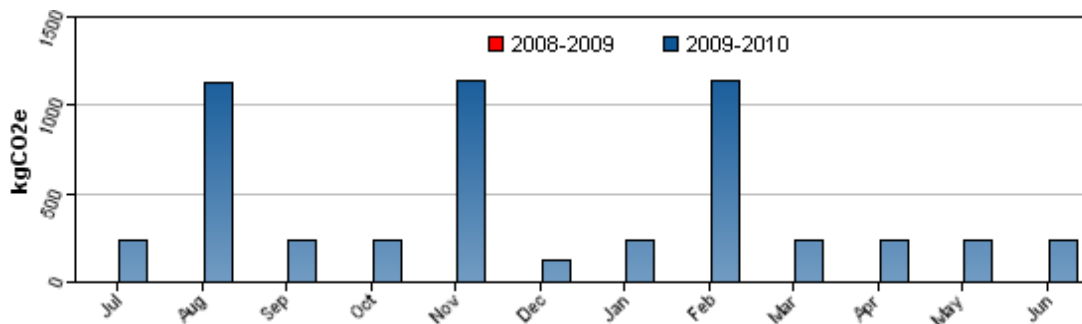
Your electricity use is particularly high in the warmer months as the following graph shows. It assumed therefore that your cooling appliances are used more than your heating appliances or are less efficient. This highlights the areas that can be addressed to minimize your future energy use.



However as your electricity usage charged is based on a percentage of the total used by all tenants on your floor, reductions will only be noticeable if everyone on the floor makes an effort to reduce their electricity consumption. As a result it is recommended that a Carbon Reduction Committee is formed with equal representation from all tenants on the floor with a view to a concentrated effort on reducing electricity use on level 3.

Travel

Your business travel emissions are relatively low with minimal vehicle use. However the three air flights to Sydney result in a sharp spike in those particular months as the following graph shows.



Waste

The carbon emissions from your waste disposal are also very minimal. The majority of your waste relates to paper usage, which is no surprise given the nature of your business. However further reductions could be achieved by increasing your recycling efforts and where possible using electronic forms to communicate with clients and suppliers.



Total Emissions YTD 1,212 kgCO₂e

Why should we reduce Greenhouse Gasses?

An overwhelming majority of climate scientists agree that unprecedented levels of greenhouse gases such as carbon dioxide, nitrous oxide and methane are trapped in the atmosphere, thus preventing heat from escaping. As a result average global temperatures have been increasing which in turn has created many impacts including melting ice, rising sea levels and severe weather events. It is the responsibility of organizations of all sizes to play their part in reducing carbon emissions.

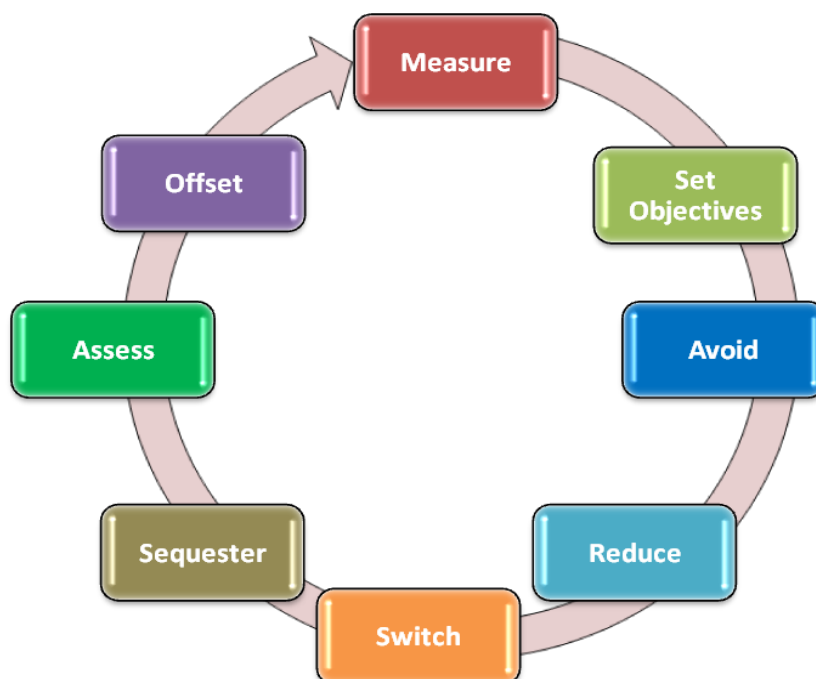
Recommended Reduction Target

It is recommended that with the assistance of employees and by engaging your co-tenants, a reduction of 15% in your carbon footprint should be a challenging yet achievable objective.

| 2009/10 | Target Reduction | 2010/11 |
|------------------------|------------------|------------------------|
| 21 tCO ₂ -e | 15% | 18 tCO ₂ -e |

Recommended Reduction Strategies

The following Carbon Management Principles (developed by EPA Victoria) are considered best practice and are recommended as a model to achieve your ultimate goal of becoming a carbon neutral:



| Principle | Recommended Action |
|-----------------------|---|
| Measure | This step has been completed with the carbon inventory of your organization established in this report. |
| Set objectives | This step has also been completed with short term reduction targets leading to the long term aim of your organization to become carbon neutral. |
| Avoid | Avoid energy use by reducing the number of lights on in the office and reducing the use of standby power on all electrical appliances and computer equipment. Look at minimizing paper use by instructing staff not to print e-mails and adjust photocopiers to ensure double sided printing is the default. Also consider the use of teleconferencing to reduce interstate travel. |
| Reduce | Adjust thermostat settings on air conditioning and cooling. Consider replacing current power hungry lights with energy efficient LEDs and ensure that all draughts and gaps are fixed to avoid heat gain and loss. Also only purchase appliances that have a high energy rating (4 and above). |
| Switch | Hold discussions with the landlord to organize switching to green energy for your floor or for the entire building. This may be a good attraction for perspective tenants. |
| Sequester | Organize tree planting projects for staff and clients, in partnership with a reputable environment agency to create a natural solution for absorbing carbon. |

| | |
|---------------|--|
| Assess | Review and compare carbon emissions against the original objectives set. Implement any new strategies to get back on track or continue with progress. |
| Offset | Once all the above steps have been taken, evaluate the various options available to offset your remaining carbon emissions in order to achieve your carbon neutral objectives. |

Sustainable Procurement

It is also recommended that a simple Sustainable Procurement (Purchasing) strategy is implemented by adopting the following three principles:

Principle One – Avoid unnecessary consumption

- Evaluate the absolute need for the new product
- Consider purchasing the product second hand
- Consider short term leasing as an alternative

Principle Two – Select products/services with the lowest environmental impact

- Give preference to products that are reusable, recyclable or contain recycled content. For example, consider using paper stocks that are harvested from a natural source such as Natures Paper (refer www.naturespaper.com.au)
- Look for products that have been environmentally certified or have credible eco-labels
- Purchase locally produced goods and services. These generally have a lower carbon footprint due to lower “carbon miles” from their distribution.

Principle Three – Support sustainable businesses and encourage suppliers to “go green”

- Ask prospective suppliers for evidence of sustainable practices
- Give preference to suppliers who can show they have calculated their carbon footprint or have achieved environmental accreditation/recognition.

I would like to take this opportunity to thank you for using the services of Sustainable Directions and please do not hesitate to contact me regarding this report.

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